Prior to 1993, the DVA operated a DVA Medical Center at 3900 Loch Raven Boulevard in Baltimore. The new facility has substantially more square footage than the older medical center. The new facility also includes a retail store, a cafeteria, and vending machines that are operated by the Veterans Canteen Service (VCS).

By letter dated December 2, 1991, DORS applied to the DVA for a permit to operate a Randolph-Sheppard vending facility at the new VAMC in Baltimore. DORS followed up with two additional inquiries regarding the new medical center. Subsequently, DVA responded by letter dated April 6, 1992, denying the request for a permit. DVA's stated reason for denying the DORS' request for a permit was that its authorizing statute, 38 U.S.C. 8110(c), gave DVA the exclusive right to determine whether an activity, including vending facilities, at any of its medical centers would be performed by Federal or non-Federal personnel.

On June 24, 1992, DORS filed a complaint with the Secretary of the Department of Education requesting that an arbitration panel be convened. A hearing on this matter was held on July 19 and 20, 1993.

Arbitration Panel Decision

The arbitration panel in a majority opinion found that the Randolph-Sheppard Act applies to any and all Federal departments, agencies, and instrumentalities in control of any Federal property, citing 20 U.S.C. 107 *et seq.* and *Minnesota* v. *Riley*, 18 F.3d 606, 609 (8th Cir. 1994).

The panel ruled that the Randolph-Sheppard Act and its implementing regulations established a system under which the Secretary of Education promulgates and administers uniform procedures for the establishment of Randolph-Sheppard vending facilities. (20 U.S.C. 107(b)) The Act contains an ''escape clause'' allowing limitations on the placement of vending facilities, but only if the Secretary of Education specifically finds that the absence of such a limitation would adversely affect the interests of the United States. (20 U.S.C. 107(b)) The panel noted that the DVA has not applied for an exemption from any of the requirements of the Randolph-Sheppard Act.

DVA's argument was that it was not required to apply for such a limitation, citing its own statute, 38 U.S.C. 8110(c). However, the panel rejected this argument, citing *Minnesota* v. *Riley*, which ruled that the Congressional intent to apply the Randolph-Sheppard Act to the VCS is clear from the language of the Act. The panel further stated that section 8110(c) was intended to limit contracting out of services directly related to patient care, not to preclude the issuance of permits for Randolph-Sheppard vending facilities.

Therefore, the panel ruled that the Randolph-Sheppard Act applies to Department of Veterans Affairs medical centers and that section 8110(c) does not exempt VAMC Baltimore from the Randolph-Sheppard Act's requirements.

Accordingly, in an unanimous award the arbitration panel ruled on May 5, 1994, that the parties should enter into negotiations whereby a permit would be issued to allow DORS and its licensed blind vendor or vendors to operate the retail store at VAMC. The parties were to agree upon a permit on or before June 1, 1994, which the panel would adopt as its final award. However, if a permit could not be agreed upon by June 1, 1994, then each party was instructed to submit a proposed permit to the panel on or before June 15, 1994. The proposed permit that received the majority approval of the panel would be adopted as the final award of the panel.

Following the May 5 panel award, DVA submitted a Motion for Reconsideration, which was subsequently denied by the panel. DORS then submitted to the panel its proposed permit in accordance with the May 5 award. In an order dated October 15, 1994, a majority of the panel adopted this proposed permit. The panel instructed DVA that, on or before October 20, 1994, it should turn over the operation of the retail store at VAMC Baltimore to DORS, effective January 1, 1995.

One panel member dissented regarding the denial of the Motion for Reconsideration and from the final award.

On January 3, 1995, the Maryland State Department of Education, Division of Vocational Rehabilitation sought relief in the United States District Court of Maryland against the Department of Veterans Affairs requesting enforcement of the final arbitration award directing DVA to permit a blind vendor to operate a retail store at the VAMC.

On August 17, 1995, the court found that the arbitration panel had no authority under the Act to order DVA to turn over the retail store to DORS. *Maryland State Department of Education, Division of Rehabilitation Services* v. *U.S. Department of Veterans Affairs*, C.A. No. K–95–8 (D.MD. order entered 8–17–95). The court ruled that the panel's authority under the Act is limited to determining whether the agency's actions violated the Act. According to the court, the Act leaves the responsibility for remedying violations to the Federal entity itself.

The views and opinions expressed by the arbitration panel do not necessarily represent the views and opinions of the U. S. Department of Education.

Dated: October 23, 1995.

Howard R. Moses,

Acting Assistant Secretary for Special Education and Rehabilitative Services.

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DEPARTMENT OF ENERGY

Office of Arms Control and Nonproliferation Policy

Proposed Subsequent Arrangement

Pursuant to Section 131 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2160), notice is hereby given of a proposed ''subsequent arrangement'' under the Agreement for Cooperation between the Government of the United States of America and Government of Sweden concerning Peaceful Uses of Nuclear Energy, and the Additional Agreement for Cooperation between the Government of the United States of America and the Government of the Republic of Korea concerning Civil uses of Nuclear Energy, as amended.

The subsequent arrangement to be carried out under the above-mentioned agreements involves approval of the following retransfer: RTD/KO(SW)-1, for the transfer of 18.905 kilograms of uranium containing 0.718 kilograms of the isotope uranium-235 (3.8 percent enrichment) from Sweden to Korea for fuel production.

In accordance with Section 131 of the Atomic Energy Act of 1954, as amended, it has been determined that this subsequent arrangement will not be inimical to the common defense and security.

This subsequent arrangement will take effect no sooner than fifteen days after the date of publication of this notice.

Issued in Washington, D.C. on October 23, 1996.

Edward T. Fei,

Deputy Director, International Policy and Analysis Division, Office of Arms Control and Nonproliferation.

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